

Message Text

LIMITED OFFICIAL USE

PAGE 01 PANAMA 02897 162019Z

14-11
ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 OMB-01 /048 W
----- 062407

R 161953Z MAY 75
FM AMEMBASSY PANAMA
TO SECSTATE WASHDC 3927

LIMITED OFFICIAL USE PANAMA 2897

EO 11652: N/A
TAGS: EFIN, PN
SUBJ: PUBLIC FINANCE: CITICORP ARRANGING \$45 MILLION LOAN FOR
PANAMA

REF: PANAMA 3290, JUN 7, 1974

1. EMBASSY HAS LEARNED FROM SEVERAL BANKING SOURCES THAT
CITICORP INTERNATIONAL BANK LTD. OF LONDON HAS AGAIN TAKEN LEAD
IN ARRANGING A LOAN BY FOREIGN BANKS FOR GOP, IN AMOUNT OF \$40
TO \$45 MILLION. LATEST INFORMATION WE HAVE IS THAT LOAN WILL BE
FOR LARGER AMOUNT, WITH \$43 MILLION ALREADY SUBSCRIBED. FINANCE
MINISTER SANCHIZ IS EXPECTED TO TRAVEL TO EUROPE FOLLOWING IDB
ANNUAL MEETING TO SIGN FORMAL LOAN AGREEMENT IN LONDON.
CITICORP WAS ALSO INSTRUMENTAL IN ARRANGING SIMILAR \$36
MILLION LOAN OF JUNE 1974 (REFTEL) AND \$115 MILLION REFINANCING
LOAN OF OCTOBER 1973.

2. LOAN TERMS REPORTEDLY ARE FIVE YEARS AT FLOATING RATE, ONE
AND THREE-QUARTERS PERCENT OVER LONDON INTERBANK OFFERED.
LOAN WOULD BE USED FOR FINANCING PROJECTS UNDER 1975 PUBLIC
INVESTMENT PROGRAM AS FOLLOWS (FOR ORIGINAL TOTAL OF \$40
MILLION): \$7M, BAYANO PROJECT; \$9.5M AGRICULTURAL
DEVELOPMENT; \$5M, EXPLORATION AND DEVELOPMENT COSTS, CERRO
COLORADO; \$4.5M, MISC, GOP PROJECTS; \$14M, COUNTERPART FOR
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PANAMA 02897 162019Z

PROJECTS FINANCED BY INTERNATIONAL LENDING AGENCIES IN FIELDS OF

TRANSPORTATION, POWER, AGRICULTURE, EDUCATION, AND PUBLIC
HEALTH.

3. WILLINGNESS OF GOP TO ACCEPT THESE TERMS, WHICH ARE
STRICTER THAN FOR PREVIOUS LOANS MENTIONED ABOVE, WOULD COMPOUND
DIFFICULTY WFC CORP. OF CORAL GABLES IS REPORTEDLY HAVING IN
FULFILLING EARLIER COMMITMENT TO GOP TO PLACE \$10 MILLION LOAN
AT TERMS OF 7 YEARS AND ONE AND ONE-HALF PERCENT OVER LONDON
INTERBANK. PROCEEDS OF THIS LOAN WERE TO HELP FINANCE LA FORTUNA
AND BAYANO POWER PROJECTS AND NEW AIRPORT CONSTRUCTION. AMERICAN
EXPRESS INTERNATIONAL BANKING CORP. HAS BEEN MENTIONED AS A
PARTNER IN WFC DEAL.

4. COMMENT: REPORTED ALLOCATION OF \$5 MILLION FOR PAYMENT OF
CERRO COLORADO EXPLORATION COSTS IS OF PARTICULAR INTEREST, AS
CANADIAN JAVELIN IS SAID TO HAVE CLAIMED EXPENSES OF A LEAST
\$25 MILLION, NOT INCLUDING FAIR RETURN ON ITS INVESTMENT.

JORDEN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LOANS, LOAN AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 MAY 1975
Decapton Date: 01 JAN 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PANAMA02897
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750174-0156
From: PANAMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750545/aaaabofu.tel
Line Count: 79
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 PANAMA 3290, 75 JUN 7, 75 1974
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 25 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 JUN 2003 by CunninFX>; APPROVED <04 NOV 2003 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PUBLIC FINANCE: CITICORP ARRANGING \$45 MILLION LOAN FOR PANAMA
TAGS: EFIN, PN, CITICORP INTERNATIONAL BANK LTD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006